

RETENTION DATE: December 31, 1998

TO: HEADS OF GOVERNMENT DEPARTMENTS, AGENCIES, AND OTHERS CONCERNED

SUBJECT: CLARIFICATION OF PROCEDURES FOR REPORTING COLLECTIONS CREDITED TO APPROPRIATION OR FUND ACCOUNTS IN I TFM 2-3100 AND 2-3300

1. PURPOSE

This Treasury Financial Manual (TFM) bulletin further clarifies the new procedures for reporting collections credited to appropriation or fund accounts released under Transmittal Letter 569. (See I TFM 2-3100, Appendix 4, and I TFM 2-3300, Appendix 1.)

2. REPORTING INSTRUCTIONS UPDATE

The reporting of refunds, cancelled or returned checks, and other corrections of errors should be based on the year of obligation, not the year of payment. Reporting procedures discussed in I TFM 2-3100, Appendix 4, and I TFM 2-3300, Appendix 1, will be updated as follows to reflect this change:

Collections Credited to Appropriation or Fund Accounts - The following types of collections should be classified in Column 2:

- Refunds of payments made to liquidate **obligations** of a **prior** fiscal year.
- Cancelled or returned checks originally paid to liquidate **obligations** of a **prior** fiscal year.
- Other corrections of errors for payments made to liquidate **obligations** of a prior fiscal year.

Current Fiscal Year Collections Credited to an Appropriation or Fund Account - The following types of current fiscal year collections should be netted against gross disbursements in column 3:

- Refunds of payments made to liquidate **obligations** of the **current** fiscal year.
- Cancelled or returned checks originally paid to liquidate **obligations** of the current fiscal year.
- Other corrections of errors for payments made to liquidate **obligations** of the current fiscal year.

Additional Information:

The procedures for the reporting of refunds, cancelled or returned checks, and other corrections of errors based on the year of obligation apply for single year, no year, and multi-year accounts.

Refunds of limited payability checks (funds are automatically returned or refunded if uncashed after 12 months) would be classified in column 2 as refunds from obligations originally made in a prior fiscal year.

All subclassed accounts are subject to the procedures as outlined here and in I TFM 2-3100 and 2-3300. The only exceptions in which reporting is still confined to specific columns include:

<u>Subclass</u>	<u>Column</u>
41	3
46	3
60-69 except 61 and 65	3
70-79	2
80-89	3
90-99	2

All reimbursements should be classified in column 2 and include reimbursements from other agencies, from the public, and through OPAC.

**NOTE:** The following procedures address OPAC reporting for Section I of the 224 only. OPAC charges and credits will continue to be netted in Section II, Line 1 of the 224.

- Chargebacks through OPAC for the **customer (paying) agency** should follow the procedures for the reporting of refunds based on the **year of obligation**. If the chargeback is reversing a disbursement from a current fiscal year obligation, it should be classified in column 3 as a negative disbursement. If the chargeback is reversing a disbursement from a prior fiscal year obligation, it should be classified in column 2 as a collection.
- Chargebacks through OPAC for the **billing agency** should be classified as a negative collection in column 2 to reverse the original collection regardless of whether the original collection was from a current or prior fiscal year.

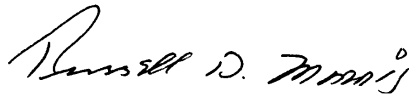
3. EFFECTIVE DATE

Immediately.

4. INQUIRIES

Questions concerning this bulletin should be directed to:

Budget Reports Branch  
Reports Management Division  
Financial Management Service  
Department of the Treasury  
3700 East-West Highway, Room 518D  
Hyattsville, MD 20782  
(Telephone: 202-874-9900)



Russell D. Morris  
Commissioner

Date: April 29, 1997